

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO KENTUCKY'S PRESENT )	ADMINISTRATIVE
AND FUTURE ELECTRIC NEEDS AND THE )	CASE NO. 308
ALTERNATIVES FOR MEETING THOSE NEEDS )	

O R D E R

On July 23, 1987, the Commission received a letter from the Kentucky Joint Committee concerning their member companies paying the costs of the proposed consultants that the Commission has indicated will be required in this docket. The Kentucky Joint Committee consists of the following member companies: Big Rivers Electric Corporation; East Kentucky Power Cooperative, Inc.; Kentucky Power Company; Kentucky Utilities Company; Louisville Gas and Electric Company; and the Union Light, Heat and Power Company. The Kentucky Joint Committee's letter also stated that the Committee needed to know the scope of work and the projected costs for each of the consultants. The Commission's Order of June 5, 1987, stated that the task force established in this case should decide if it needed a consultant. The Order also stated that the Commission had decided that it would require its own consultant. The Kentucky Joint Committee's letter requested that the Commission's Order of June 5, 1987, be amended to provide that the costs for the consultants be charged to the Committee's members by agreement of the parties. The Kentucky Joint Committee's letter was sent to all parties of record.

The Commission views the Kentucky Joint Committee's letter as a motion to amend the June 5, 1987, Order. Having received no comments and based on its own review, the Commission finds the Committee's requests in its July 23, 1987, letter are reasonable. Although the Commission does not accept the legal arguments referred to in the July 23 letter, the Commission finds that the task force -- which includes each member of the Kentucky Joint Committee -- can serve to keep the parties advised of the scope of work and the costs of consultants. The task force will be asked to comment on the request for proposal used to solicit bids for the Commission's own consultant. It will also be regularly informed of the progress of the work of the Commission's consultant. If the task force chooses to retain its own consultant, the task force will directly supervise that consultant's work. Further, the Commission finds that its Order of June 5, 1987, should be amended to indicate that the consultants will be paid by the Kentucky Joint Committee's members by agreement of the parties.

Of course, as was mentioned in the July 23 letter, the Commission expects that the Kentucky Joint Committee will be cooperative in paying reasonable consulting costs.

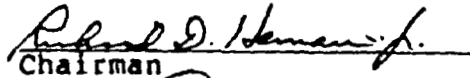
IT IS THEREFORE ORDERED that ordering paragraph 2 of the June 5, 1987, Order should be amended and read as follows:

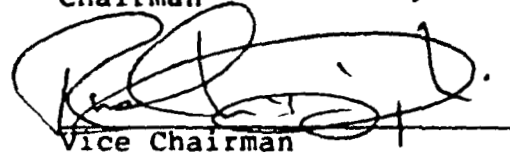
2. By agreement of the parties, the cost of the Commission's consultant shall be charged on a prorated basis to the state's six major electric utilities. The cost will be considered as a cost of service for rate-making purposes in future rate

cases. If the task force determines it needs a consultant, then similar arrangements shall be provided.

Done at Frankfort, Kentucky, this 27th day of August, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director